

Illinois Investment Policy Board

Minutes of the regular meeting of the board

June 12, 2019

Call to Order

A meeting of the members of the Illinois Investment Policy Board ("Board") convened on June 12, 2019 at the Thompson Center, 100. W. Randolph Street, 16<sup>th</sup> floor, Room 504.

The following members of the Board were in attendance:

Mitchell Goldberg (Board Chair)

Dipesh Mehta

Alicia Oberman (Telephonic)

Andrew Lappin

Martin Noven

Richard Ingram

Michael Mahoney

A motion was made (by Ingram, seconded by Lappin) to permit Oberman to appear telephonically. The motion passed (5-0).

Also in attendance was Monica-Kaye Gamble, executive secretary and counsel to the IIPB.

Goldberg called the meeting to order at 12:01 pm.

Approval of Minutes

No additions or corrections were noted as to the minutes of the meeting of the Board held May 29. By vote upon motion (by Lappin, seconded by Ingram), the Minutes were approved (6-0) as written.

Public Comments

None.

Administrative Matters

Mehta reported on current bids offered by MCSI and ISS-Ethix/Sustainalytics and written responses to questions asked by Board. Goldberg reported on his conversations with Whitney Blanton, General Counsel of the Texas Treasury Safekeeping Trust Company and Philip Larrieu, Associate Portfolio Manager of the California State Teachers' Retirement System – who were provided as references by MSCI. ISS-Ethix representatives, Stephen Friedman and Michael Jenks, called in to answer questions of the Board as to renewal of the vendor contract. MSCI representatives, Alberto Rodriguez and Joseph Williams, called in to answer questions of the Board as to potential vendor services. On motion (by Noven, seconded by Lappin) the IIPB voted (6-0) to accept MSCI's bid as replacement vendor for IIPB Sudan, Iran and Israel Boycott restriction lists. Sustainalytics will remain vendor for Expatriate companies.

Gamble reported on communications with Bill sponsor for potential legislative clarification regarding meaning of specific exemption for coverage by Sudan list requirements. Request that IIPB provide sample proposed language.

Gamble also reported on a verbal request by Airbnb to be exempted from providing an affidavit of compliance with the Illinois statute. By vote (5-0; by Lappin, Seconded by Noven), the Board denied this request.

#### Report from the Committee on Sudan, Iran and Expatriate Restrictions

Ingram reported that the Committee met earlier today. The Committee reviewed updated lists provided by ISS-Ethix. The Committee recommended that the Board accept recommended deletions as to companies on the restricted lists for both Iran and Sudan. The Committee recommended the addition of Almutek Corp. to the Iran list and that the Committee send notice to Almutek Corp. of its identification as an Iran Restricted Company. The Committee recommended that additions to the Sudan list be held in abeyance pending further information as to clarification of statutory exemption language. By motion (by Lappin, seconded by Mehta) the IIPB voted to accept the committee's recommendations (6-0).

#### Report/Action as to the Committee on Israel Boycott Restrictions

Goldberg reported that the Committee met earlier and reviewed ISS-Ethix recommended additions and deletions. Per ISS-Ethix recommendations, the Committee recommends to identify Ramphastos Investments Management B.V. as a company boycotting Israel and that the committee provide notice. The Committee recommended delaying removal of Duch Lion B.V. and Dutch Lion Cooperatief U.A. pending further explanation from vendor. By motion (by Ingram, seconded by Lappin), the Board to accept the Committee's recommendation. The motion passed (6-0).

#### Other Business

None

#### Board Member Comments

None

#### Upcoming Meetings

The next meeting is scheduled for September 11, 2019. The Iran/Sudan/Expatriate Restrictions Committee is scheduled to meet at 11:30am, followed immediately by the Israel Boycott Restrictions Committee, followed immediately by the meeting of the full Board. By motion (by Ingram, seconded by Noven), the Board voted (6-0) to have each meeting begin at the end of the preceding meeting.

#### Adjournment

Seeing no further business Lappin motioned to adjourn at 1:51 p.m., seconded by Ingram. The motion was approved (6-0).